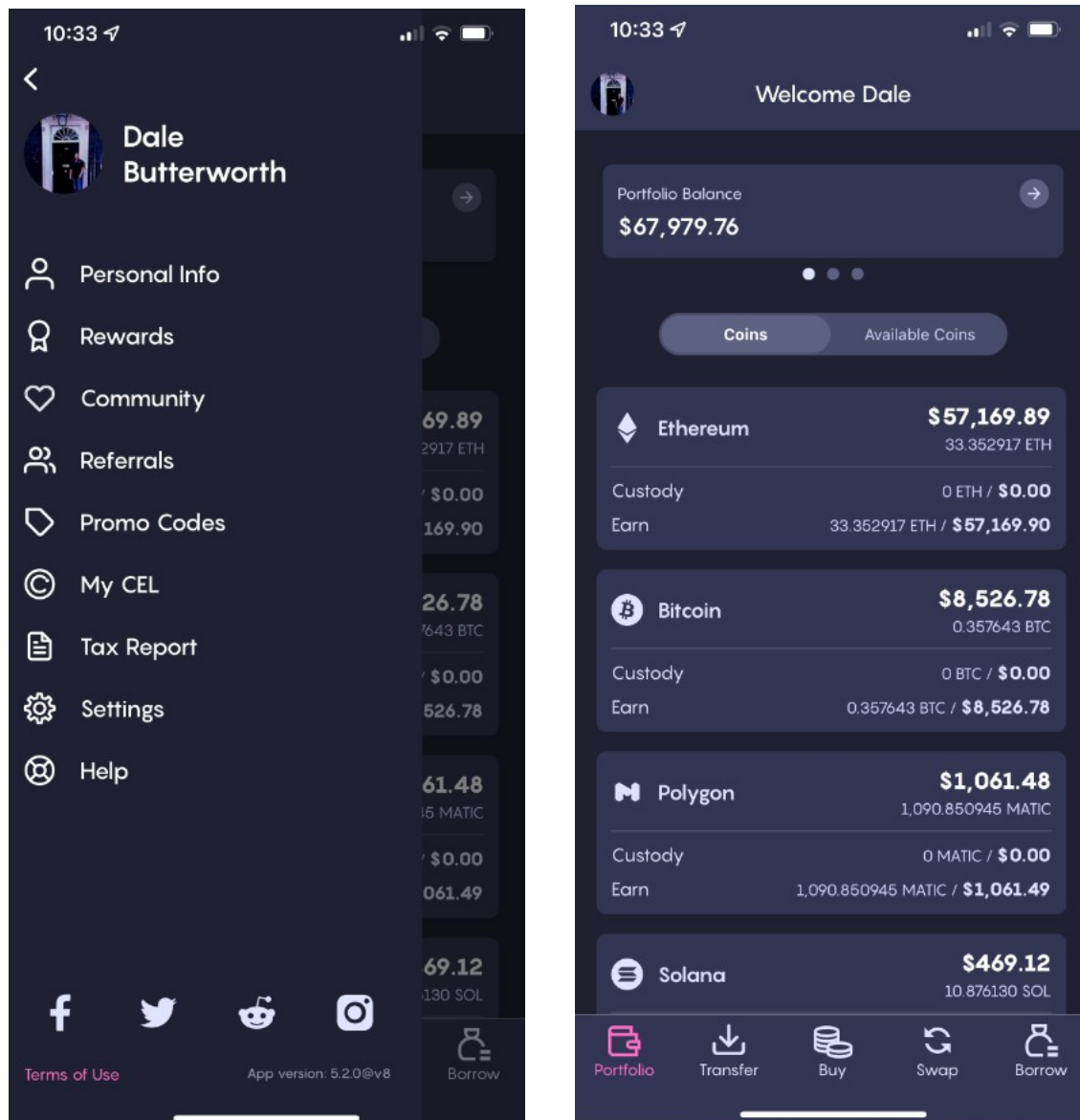


Dear Your Honor, Judge Glenn,

I realise you are extremely busy with this case and most likely many others but i highly recommend you read my letter below and include it in the case for reference. I know it is lengthy letter but contains important information and context about the current Celsius situation and background. I also provide 1 or 2 potential solutions for consideration as you preside over and consider the Celsius Chapter 11 Bankruptcy Filing / Case.

As I'm sure you are aware the miss-handling by the CEO of Celsius and their Executive Leadership Team (ELT) is clearly evident for all to see and that they have engaged in lending out Depositors Currencies into High Risk Investments / Strategies and potentially securities, without being clear to those Depositors on the risks associated with those activities, nor were Celsius and the ELT forthcoming with any information to their Depositors about said risky investments, nor provided the Depositors with any solution to Opt out of those Celsius investment decisions. In fact there were various (AMA's) Ask Me Anything, weekly sessions held by Celsius Live on Youtube and hosted by Alex Mashinsky (CEO) and his team, speaking to the contrary and how well Celsius is performing but actually asking Alex questions on the AMA sessions was basically almost impossible and vetted out prior to the sessions, they would only answer where they had a question that Celsius could answer in a positive response for Celsius. Manipulated AMA would probably have been a better name for it.

For Transparency, I have been depositing "My Crypto Currency" into "My Celsius Account" for approximately just over 1 year and I have a deposited balance equal to a Five (5) figure \$ value of Crypto Currency deposited with Celsius at this time. Similarly and My Daughter has a Four (4) figure \$ value deposited in "My Daughters" Celsius account. Screen Shot Image of "My Account" shown below. As you can clearly see in the images below "My Account" shows that I Own the Account and the Deposit Balances that reside in the account. Never have i ever, nor has my Daughter, ever given our Deposits to Celsius for them to do what they want with. If that were the case our Deposit Balances would not show in our own accounts but in a Celsius Owned account, which is not the case. This clearly evidences that those Deposit Balances are in our personal Owned Accounts at Celsius and not Deposits that were given to Celsius to do what they want with. The notion that Celsius stated, that we as customers effectively transferred ownership of our Crypto Currency Deposits to Celsius is an utter falsehood and is clearly evidenced in the images below to be the complete opposite. We never Transfer ownership of our Crypto Currencies to Celsius, we just Transfer our Crypto Currencies to our own Accounts in Celsius, thats a big difference.



On April 12th 2022 @ 10:24am EST (Email Receipt Date/Time stamp) Celsius reached out to their United States customers by email asking their customers to become "Accredited Investors" in order to continue to receive yields on new deposits after April 15th 2022. The email describes that this is due to Regulatory Compliance requirement as Celsius have been working with the US Regulators, but did not state the Regulatory Rule they were attempting to become compliant with. It was never communicated to the Celsius customers which specific Regulation, but I suspect this was (SEC Regulation D - 506b) but it may have been a different SEC Regulation. (The Email mentioned above that I received from Celsius, is available upon request)

Celsius communicated that those customers that became "Accredited Investors" would continue to earn yields on all existing and New

deposits they placed with Celsius, but those that stayed "Non-Accredited Investors" would only receive yields only on Deposits that were already deposited into the customer accounts with Celsius by the Deadline Date April 15th 2022. This drove many customers to transfer significant balances into their customer accounts at Celsius before the deadline. As I am a customer that was "Non-Accredited" and was not going to become an "Accredited Investor" I was left with the understanding that my deposits were safe and secure and not in High Risk Investments nor High Risk Investment strategies nor Investment Securities made by Celsius, and that i and other United States customers that stayed "Non-Accredited Investors" would continue to receive yields on our pre-existing deposits because they were made before the Deadline Date of April 15th 2022. It was also understood that any deposits made after that Deadline Date were going to be put into a Custody account that Celsius had created for each of their United States Customers without asking for those customers to approve such an account creation and those post deadline deposits were not going to be eligible to earn yields from.

The net result is that United States Non-Accredited Investors were left with the understanding that prior deadline deposits continued to receive yields as a contracted agreement based on their Account opening offerings with Celsius and publicized Yield %, and from the Deadline Date any new deposits would not receive yields going forward. Therefore, United States Non-Accredited Investors were basically converted to Custody Account Holders but their Prior deadline Deposits would continue to earn yields as an early adopter for joining Celsius and which was part of the contracted agreement when opening an account with Celsius.

In the United States Non-Accredited Investors are meant to be protected from High Risk Investments and similar Investment Strategies along with Securities investments which is what Regulation D Rule 506b is all about. Therefore, United States Non-Accredited Investors that have Earn yield accounts at Celsius because they are early account holders, MUST be treated the same as Custody Account Holders. Whereas, United States Accredited Investors are Accredited in order for them to participate in the Higher Risk Investments and similar Investment Strategies along with Securities because they understand and accept the higher risks associated with them.

**US Non-Accredited Investors + Custody Account Holders** - Dont understand the Risk and should be protected and restricted from the Risky Investments.

**US Accredited Investors** - Do understand the Risk and can proceed to engage and invest in the more Risky Investments.

In my situation i did not meet the criteria to become an Accredited Investor. Additionally, considering the yield values that Celsius were offering for the various Crypto Currency deposits it would not have been worth the additional risk. The Celsius yields posted on the customers Celsius mobile App accounts were listed as anything from

0.0% - 5.05% depending on the Crypto Currency deposited. A 5.5% Yield for BTC (Bitcoin) or ETH (Ethereum) deposit, to be included in a High Risk Investment makes absolutely no sense as the risk far outways the return and that is why myself and possibly many others did not wish to become Accredited Investors either.

My understanding is that due to the approach Celsius took to have their depositor customer base become Accredited Investors many Celsius Depositors subsequently filed the appropriate credentials and approved their statuses as "Accredited Investor" therefore accepting the High Risk of Celsius making those High Risk Investments using Customer Deposits etc. I believe many may have done this because they were just thinking about the yields rather than equating it alongside the Higher Risks that go with it but the way Celsius approached their customer Depositor Community about this didnt mention anything about the real reasons as to why they were doing this and nothing about any risks associated around it which could be considered highly suspicious operating practices and misleading direction for their customers as key information was missing from the Celsius communications.

Through Celsius efforts, Celsius therefore identified which of their United States Deposit Customers were Accredited Investors and which were Non-Accredited Investors and in turn should have ensured the separation of the invesment allocations Celsius had made based on those Customer Accreditations and rebalanced accordingly in order to meet the Regulation requirement. Celsius should have also ensured that any Non-Accredited Investors deposits were secured, protected and if required removed, from any high risk investments or investment strategies. For Accredited Investors those customers accepted the higher risk investments by becoming Accredited Investors which includes understanding the risks associated with High Risk investments.

Again for transparency, I am a US Citizen, US based Non-Accredited Investor. Non US Citizens and non US based Customers may have different accreditations to identify them as Depositors that should not be included in High Risk Investments, including Custody Account Depositors. I do not know the legalities of Filing Chapter 11 in one Country over another when the Companies Deposit Customers are spread across the world and across many Countries. However, in this situation I have broken out what i believe to be a fair view resolution to this problem and would personally be willing to accept it, if it were adopted as a resolution offer to close out this terrible situation.

#### <Current Situation>

Celsius Liabilities \$5.5B - Celsius Assets \$4.3B = \$1.2B Deficit

The Mathmatical version of this means that Celsius have approximately 80% of what they should have to balance out and be whole, and that means they have a 20% Deficit. If all their customers "Accredited,

Non-Accredited, Custody" account holders accepted a 20% Loss to get the remainder of their deposits back, i think this might be an acceptable result. Everyone wants to be made whole but finding the best solution for all is key here and a small loss is better than a total loss.

The remaining 20% loss that all account holders would suffer, could be balanced out by Celsius issuing that 20% in the (CEL) Celsius Token to those customers and then over time if Celsius recovers, the customers could sell back their CEL tokens to Celsius or on the Open Market to make themselves whole again. The Celsius CEO is a huge CEL Token Holder so he should be restricted from selling his CEL Tokens until such time as all his depositors that took the 20% loss are made whole. In this solution the Celsius customers worse case is that they get 80% of their Deposits back and if Celsius doesnt recover or the (CEL) Token fails, the customer still has 80% of their original deposits back. Priority recovery list 1 through 5 in that order shown below.

Priority to make whole:

- 1, Custody Holder Accounts (100%)
- 2, United States Non-Accredited Investors Accounts (Similar to Custody Account Deposits but received yields as they were prior to the Accreditation requirement and were therefore Historically grandfathered in to the yield program by account creation agreements. (100%)
- 3, Global Customer Account Holders that have no High Risk Acceptance accreditation
- 4, United States Accredited Investors Accounts and All other Global Customer Personal Accounts
- 5, Corporate Investor Accounts

I would obviously like to see Custody Account holders (Which I am Not) and United States Non-Accredited Investor Account holders (Which I am) be made whole 100% as the priority, as these Depositors did not accept the High Risk Investments and investment strategies that Celsius were making and the loss to be absorbed by the Accredited Investors and Corporate Investors as they accepted the High Risk and understood those strategies due to the Nature of their accreditation. However, being human I understand this may not seem entirely fair for everyone due to how Celsius communicated to their depositors and did not communicate certain information when they should have done, and many will therefore have their own thoughts and opinions around this, so if this is deemed unachievable or not the best solution overall, another simpler option could be an even 20% Loss for every account, resulting in the return of all the Deposits -20% and then everyone walks away with lessons learned.

Consideration: The Celsius Bitcoin Mining business is estimated to be worth in excess of \$1B - \$1.7B so if the sale of that Bitcoin Mining business could be achieved to cover the 20% loss and make All customers completely whole that should be the primary solution to resolve any remaining hole but im confident this is already part of the Chapter 11 resolution discussions.

In addition to the above proposed solutions please see the below additional criteria most customers are looking for:

The Current CEO Alex Mashinsky, The complete Celsius ELT, the Celsius Investment Team and the Celsius Risk Management Teams all need to be removed from Celsius entirely and replaced by perhaps bringing in other Companies to either run Celsius or take it over. A company such as "Bnk To The Future" CEO - Mr Simon Dixon's Company, (I am not affiliated nor an account holder) or another company with similar credentials and a positive reputation with the appropriate accreditations, they would need to restructure and in the process possibly rename Celsius to something else and establish a new Company Crypto Currency Token that is not tainted like CEL is now. I Truly believe this must be part of the solution as all the Online Forums are calling for these requirements as Crypto depositors and probably the Crypto industry as a whole have lost complete confidence in Celsius and its current CEO along with the Teams within Celsius. The only way to recover Celsius is to remove them all with suitable replacements being put in their place. Restrictions should then also be leveraged against the Current CEO, ELT and Investment & Risk Management Team members at Celsius to ensure they cannot practice in the Finance and Crypto Industry going forward.

Regards,

Mr. D Butterworth